

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**EIGHTEENTH MONTHLY FEE STATEMENT OF FTI CONSULTING, INC. FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED AS FINANCIAL ADVISOR TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS FOR THE PERIOD FROM
APRIL 1, 2020 THROUGH APRIL 30, 2020**

Name of Applicant:

FTI Consulting, Inc.

Authorized to provide Professional Services
to:

Official Committee of Unsecured Creditors

1 The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Date of Retention: December 19, 2018, *nunc pro tunc* to October 25, 2018

Period for which compensation and reimbursement is sought: April 1, 2020 through April 30, 2020

Monthly Fees Incurred: \$35,522.00

Monthly Expenses Incurred: \$0.00

Total Fees and Expenses: \$35,522.00

This is a: X monthly ____ interim ____ final application

This statement (the “**Fee Statement**”) of FTI Consulting, Inc. (together with its wholly owned subsidiaries and independent contractors, “**FTI**”) as financial advisor to the Official Committee of Unsecured Creditors of Sears Holdings Corporation, *et al.* (the “**Committee**”) is submitted in accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No.796] entered on November 16, 2018, (the “**Order**”). In support of this Fee Statement, FTI respectfully states as follows.

1. The fees and expenses for the period from April 1, 2020 through and including April 30, 2020 (the “**Eighteenth Fee Period**”) amount to:

Professional Fees	\$35,522.00
Expenses	<u>0.00</u>
TOTAL	<u>\$35,522.00</u>

2. In accordance with the Order, if no timely and proper objection is made by a party-in-interest within fifteen (15) days after service of this Fee Statement, the Debtors are authorized to pay 80% of professional fees and 100% of out-of-pocket expenses. These amounts are presented below.

Professional Fees at 80%	\$28,417.60
Expenses at 100%	<u>0.00</u>
TOTAL	<u>\$28,417.60</u>

3. The professionals providing services, hourly billing rates, the aggregate hours worked by each professional, and the aggregate hourly fees for each professional during the Eighteenth Fee Period are set forth on the schedule annexed hereto as **Exhibit “A.”**

4. A summary of aggregate hours worked and aggregate hourly fees for each task code during the Eighteenth Fee Period is set forth on the schedule annexed hereto as **Exhibit “B.”**

5. Detailed time entry by task code during the Eighteenth Fee Period is set forth on the schedule annexed hereto as **Exhibit “C.”**

6. A summary of expenses incurred during the Eighteenth Fee Period is set forth on the schedule annexed hereto as **Exhibit “D.”**

7. Detailed breakdown of the expenses incurred during the Eighteenth Fee Period is set forth on the schedule annexed hereto as **Exhibit “E.”**

8. FTI reserves the right to request, in subsequent fee statements and applications, any fees and reimbursement of any additional expenses incurred during the Eighteenth Fee Period, as such fees and expenses may not have been captured to date in FTI's billing system.

NOTICE AND OBJECTION PROCEDURES

9. Notice of this Fee Statement shall be given by hand or overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179, Attention: Mohsin Y. Meghji (email: mmeghji@miiipartners.com); (ii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attention: Ray C. Schrock (email: ray.schrock@weil.com), Jacqueline Marcus (email: jacqueline.marcus@weil.com), Garrett A. Fail (email: garrett.fail@weil.com), and Sunny Singh (email: sunny.singh@weil.com); (iii) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attention: Paul Schwartzberg (e-mail: paul.schwartzberg@usdoj.gov) and Richard Morrissey (e-mail: richard.morrissey@usdoj.gov); and (iv) counsel to Bank of America, N.A., Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, Attention: Paul D. Leake (email: paul.leake@skadden.com), Shana A. Elberg (email: shana.elberg@skadden.com) and George R. Howard (email: george.howard@skadden.com); (v) Paul E. Harner, fee examiner, 1675 Broadway, New York, NY 10019 (email: harnerp@ballardspahr.com); and (vi) counsel to the fee examiner, Ballard Spahr LLP, 1675 Broadway, New York, NY 10019, Attention: Vincent J. Marriott (email: marriott@ballardspahr.com) and Tobey M. Daluz (email: daluzt@ballardspahr.com) (collectively, the “Notice Parties”).

10. Objections to this Fee Statement, if any, must be filed with the Court and served upon the Notice Parties so as to be received no later than July 6, 2020 (the “Objection Deadline”), setting forth the nature of the objection and the amount of fees or expenses at issue (an “Objection”).

11. If no objections to this Fee Statement are filed and served as set forth above, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified herein.

12. If an objection to this Fee Statement is received on or before the Objection Deadline, the Debtors shall withhold payment of that portion of this Fee Statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth above. To the extent such an objection is not resolved, it shall be preserved and scheduled for consideration at the next interim fee application hearing to be heard by the Court.

Dated: New York, New York
June 19, 2020

FTI CONSULTING, INC.
Financial Advisors to the Official Committee of
Unsecured Creditors of Sears Holdings Corporation

By: /s/ Matthew Diaz
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EXHIBIT A**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538****SUMMARY OF HOURS BY PROFESSIONAL****FOR THE PERIOD APRIL 1, 2020 TO APRIL 30, 2020**

Professional	Position	Specialty	Billing Rate	Total Hours	Total Fees
Diaz, Matthew	Senior Managing Director	Restructuring	\$ 1,085	8.4	\$ 9,114.00
Star, Samuel	Senior Managing Director	Restructuring	1,125	1.1	1,237.50
Eisler, Marshall	Senior Director	Restructuring	835	3.6	3,006.00
Kim, Ye Darm	Senior Consultant	Restructuring	560	27.2	15,232.00
Shapiro, Jill	Consultant	Restructuring	415	16.3	6,764.50
Hellmund-Mora, Marili	Associate	Restructuring	280	0.6	168.00
TOTAL				57.2	\$ 35,522.00

EXHIBIT B

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538
SUMMARY OF HOURS BY TASK
FOR THE PERIOD APRIL 1, 2020 TO APRIL 30, 2020

Task Code	Task Description	Total Hours	Total Fees
17	Wind Down Monitoring	8.4	\$ 6,735.50
18	Potential Avoidance Actions & Litigation	26.9	17,689.00
21	General Mtgs with UCC & UCC Counsel	2.0	1,467.50
24	Preparation of Fee Application	19.9	9,630.00
TOTAL		57.2	\$ 35,522.00

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

DETAIL OF TIME ENTRIES

FOR THE PERIOD APRIL 1, 2020 TO APRIL 30, 2020

Task Category	Date	Professional	Hours	Activity
17	4/1/2020	Kim, Ye Darm	0.4	Correspond with M-III re: latest estate winddown tracker.
17	4/1/2020	Kim, Ye Darm	1.2	Analyze the latest estate winddown tracker from the Debtors.
17	4/2/2020	Diaz, Matthew	1.6	Review updated cash tracker and administrative claims.
17	4/2/2020	Eisler, Marshall	2.6	Analyze the latest winddown tracker and administrative claims in preparation for the Committee call.
17	4/2/2020	Eisler, Marshall	0.5	Participate in discussion with FTI team re: status of administrative claims levels, cash position, topics of discussion for upcoming call with the Committee.
17	4/2/2020	Star, Samuel	0.5	Participate in call with the FTI team re: status of administrative claims levels, cash position and preparation for Committee call.
17	4/2/2020	Kim, Ye Darm	0.9	Analyze latest winddown tracker from Debtors to compare changes from prior forecasts.
17	4/2/2020	Kim, Ye Darm	0.6	Participate in discussion with the FTI team re: status of administrative claims levels, cash position and preparation for UCC Committee call.
17	4/21/2020	Star, Samuel	0.1	Review Akin email updates on administrative claims issues.
17 Total			8.4	
18	4/1/2020	Kim, Ye Darm	2.1	Prepare summary of metadata and file path diligence from productions.
18	4/1/2020	Kim, Ye Darm	1.1	Participate in call with Counsel re: defendant discovery.
18	4/3/2020	Diaz, Matthew	0.6	Review Sears discovery questions.
18	4/6/2020	Diaz, Matthew	0.7	Review ongoing discovery issues.
18	4/8/2020	Kim, Ye Darm	1.2	Analyze post-petition intercompany claims for key legal entities.
18	4/10/2020	Diaz, Matthew	1.1	Prepare for call with defendant on discovery disputes.
18	4/10/2020	Diaz, Matthew	0.9	Participate on call with Counsel re: preparation for call with defendant on open discovery issues.
18	4/10/2020	Diaz, Matthew	0.8	Participate on call with defendant and Akin re: discovery disputes.
18	4/10/2020	Kim, Ye Darm	0.9	Participate in call with Counsel re: open discovery issues.

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538
DETAIL OF TIME ENTRIES
FOR THE PERIOD APRIL 1, 2020 TO APRIL 30, 2020

Task Category	Date	Professional	Hours	Activity
18	4/10/2020	Kim, Ye Darm	1.1	Participate in call re: defendant discovery.
18	4/10/2020	Kim, Ye Darm	0.8	Correspond with the real estate team re: termination cost analysis.
18	4/14/2020	Kim, Ye Darm	3.2	Review historical corporate structure re: investigations.
18	4/15/2020	Kim, Ye Darm	0.3	Draft email to Counsel re: corporate structure.
18	4/15/2020	Kim, Ye Darm	3.2	Review historical documents on corporate structure re: investigations.
18	4/16/2020	Kim, Ye Darm	1.2	Review documents re: corporate structure and revise draft email to Counsel.
18	4/17/2020	Kim, Ye Darm	3.1	Review historical holdings re: investigations.
18	4/28/2020	Kim, Ye Darm	1.6	Review historical holdings.
18	4/30/2020	Diaz, Matthew	0.9	Review response to Akin's questions on the complaint.
18	4/30/2020	Kim, Ye Darm	1.6	Prepare analysis of historical stock price movement.
18	4/30/2020	Kim, Ye Darm	0.5	Process revisions to analysis re: historical share price movement.
18 Total			26.9	
21	4/2/2020	Eisler, Marshall	0.5	Participate on Committee call re: status of MTN investigation, preference claims administrative claims levels and cash position.
21	4/2/2020	Kim, Ye Darm	0.5	Participate on Committee call re: status of MTN investigation, preference claims administrative claims levels and cash position.
21	4/2/2020	Shapiro, Jill	0.5	Participate on Committee call re: status of MTN investigation, preference claims administrative claims levels and cash position.
21	4/2/2020	Star, Samuel	0.5	Participate on Committee call re: status of MTN investigation, preference claims administrative claims levels and cash position.
21 Total			2.0	
24	4/2/2020	Shapiro, Jill	1.2	Prepare the February fee statement.
24	4/6/2020	Diaz, Matthew	0.4	Review and provide comments to the February fee statement.

EXHIBIT C

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538
DETAIL OF TIME ENTRIES
FOR THE PERIOD APRIL 1, 2020 TO APRIL 30, 2020

Task Category	Date	Professional	Hours	Activity
24	4/6/2020	Kim, Ye Darm	0.8	Review draft of February fee statement and provide revisions.
24	4/6/2020	Shapiro, Jill	2.4	Prepare February fee statement.
24	4/6/2020	Shapiro, Jill	3.4	Prepare the fourth interim fee application.
24	4/6/2020	Shapiro, Jill	0.3	Finalize updates to January fee application to meet fee examiner guidelines.
24	4/8/2020	Kim, Ye Darm	0.9	Review draft of fourth interim fee application and provide revisions.
24	4/8/2020	Shapiro, Jill	2.5	Revise the fourth interim fee application.
24	4/8/2020	Shapiro, Jill	0.5	Revise the February fee statement.
24	4/10/2020	Diaz, Matthew	1.4	Review and provide comments to the fourth interim fee application.
24	4/10/2020	Shapiro, Jill	1.9	Revise the fourth interim fee application.
24	4/28/2020	Hellmund-Mora, Marili	0.6	Update the February fee statement.
24	4/29/2020	Shapiro, Jill	1.2	Prepare March fee statement.
24	4/30/2020	Shapiro, Jill	0.3	Prepare updates to March fee statement.
24	4/30/2020	Shapiro, Jill	1.3	Prepare Fourth Interim fee application to meet fee examiner guidelines.
24	4/30/2020	Shapiro, Jill	0.8	Prepare February fee statement to meet fee examiner guidelines.
24 Total			19.9	
Grand Total			57.2	

EXHIBIT D**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538****SUMMARY OF EXPENSES****FOR THE PERIOD APRIL 1, 2020 TO APRIL 30, 2020**

Expense Type	Amount
	Not Applicable in this month.

EXHIBIT E**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538****EXPENSE DETAIL****FOR THE PERIOD APRIL 1, 2020 TO APRIL 30, 2020**

Date	Professional	Expense Type	Expense Detail	Amount
Not Applicable in this month.				